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PROGRAMME PLANNING

Country and intercountry programmes and projects

THIRD REGIONAL PROGRAMME FOR EUROPE

Note by the Administrator

I. PREPARATORY PROCESS

1. After the profound changes that occurred in late 1989, a study of networking experience in the fourth-cycle regional programme for Europe initiated preparations for the fifth-cycle intercountry programme. During 1990 and 1991, a process of programme review and evaluation was undertaken leading to packages of new ideas for the fifth cycle. With the help of a small group of short-term consultants, UNDP has made an assessment of the lessons learned in each sector of the fourth-cycle regional programme and has prepared reports on each of the following principal areas: (a) private sector development in Central and Eastern Europe; (b) management development, entrepreneurship and vocational training; (c) energy and environment; and (d) transport and communications.

2. In April 1991, a consultative meeting was held in Geneva. Participants included UNDP resident representatives in Europe, government representatives from countries accorded indicative planning figures (IPFs), officials from the United Nations Economic Commission for Europe (ECE), representatives of the specialized agencies of the United Nations development system and major donor organizations. The meeting focused on the process, scope and overall thematic priorities for fifth-cycle programmes, both country and regional. It was then decided to highlight the following themes: (a) the human dimension of transition; (b) development of management skills and systems; (c) promotion of an enabling environment for private sector development; (d) development of

sustainable policies to tackle environmental pollution; and (e) creation of an enabling infrastructure to develop the exchange and flow of information, people and goods through better facilities in transport, information and communications systems.

3. On 12 June 1991, an informal conference room paper, available in English, entitled "Technical cooperation in the transformation and recovery of European economies in transition: the role of UNDP" was presented to the Governing Council at its thirty-eighth session. This document contained a strategic approach for future activities of UNDP in the Central and Eastern European subregion during the fifth cycle (1992-1996). It highlighted the need for formulating programmes that would be capable of generating additional resources to make up for an approximate 60 per cent reduction of the fifth-cycle IPF to $4.2 million, compared with a tentative fund-raising target for the next European intercountry programme of $28.5 million.

4. Technical consultations for eliciting the views of Governments, United Nations specialized agencies, other donors and the international development banks were held as follows:

(a) Warsaw, Poland, 27-28 June 1991: Task-force Meeting on Transport and Communications;

(b) Celakovice, Czechoslovakia, 30 September-4 October 1991: Task-force Meeting on Private Sector Development, Management and Vocational Training; and

(c) Ankara, Turkey, 17-19 December 1991: Task-force Meeting on the Environment and Energy.

All task-force meetings have resulted in conclusions and recommendations for areas of concentration in the UNDP-supported fifth-cycle regional programme as agreed to by participants of Governments and organizations of the United Nations system.

5. In order to emphasize a linkage between the regional programme and individual country programmes, a relevant Advisory Note was prepared in September 1991 based on the major priority areas and strategy for the subregion outlined previously in the informal conference room paper submitted to the Governing Council. (See para. 3 above.) The note was shared with the Governments of the seven Central and Eastern European countries.

6. The task-force meetings and the intergovernmental meeting resulted in a consensus among government aid coordinators, ECE, UNDP resident representatives and agencies of the United Nations system for a new regional programme. The screening of new proposals for inclusion in the fifth-cycle programme took place during the task-force meetings as well as during the intergovernmental consultations held on 16 and 17 January 1992. The latter proceedings brought together development assistance coordinators from IPF Governments in the region, ECE and agencies of the United Nations system. The proposed intercountry programme was approved.

II. ANALYTICAL COMMENTARY

7. The human dimension of the transition processes will receive attention through activities aimed at enlarging the choices of people in the following ways: as participants in the productive processes; as recipients of social and other government services; as beneficiaries of an improved environment; and as partners in newly created democratic institutions and systems.

8. The benefits that the peoples of the region will derive from the programme are expected to include the following:

(a) Improved job opportunities on the labour market as a result of an improved economic climate favouring the private sector; the creation of small and medium-sized enterprises; and the survival of larger companies after successful restructuring;

(b) Improved educational systems that correspond to new employment opportunities; e.g., management education and vocational training, adapted to requirements of restructured economies;

(c) Sustainable environmental management systems, involving small units of country specialists capable of assisting industry and Governments in reducing energy consumption and environmental pollution;

(d) Improved health of the population resulting from environmental clean-up programmes supported by the programme; and

(e) User-friendly transport systems and communication facilities.

9. UNDP interventions are expected to create additional employment, to develop new management tools enabling countries of the region to reduce environmental damage, and to increase consumer satisfaction by way of productive and service industries.

10. This will be effected mainly through human resources development: i.e., helping the private sector, non-governmental organizations (NGOs), local institutions and individuals, particularly women, to become partners in the ongoing processes of socio-economic change.

III. MANAGEMENT OF THE PROGRAMME

11. In view of the reduced regional IPF, mobilization of additional resources is the only way to implement the proposed intercountry programme. The countries of the region have requested UNDP to embark on a co-financing strategy whereby UNDP will provide "seed money" for identifying project objectives, securing the commitment of interested partners among other donor organizations, and designating implementation modalities during a preparatory phase. While UNDP may rely on intergovernmental mechanisms and networks developed during the fourth-cycle programme for the execution of the

subprogrammes, the final choice of execution modalities for the proposed regional programme will depend on the preferences of beneficiary Governments and co-funding agencies.

12. During the process of programme preparation, it has been agreed that UNDP will strengthen its cooperation with ECE, the specialized agencies of the United Nations system, the European Community, EBRD and bilateral donors in order to develop priority programmes jointly. Combined efforts to identify the sources of necessary co-financing will be initiated.

13. Networking is a preferred implementation modality, involving Governments, autonomous institutions and companies, and NGOs. Technical support will be provided from a variety of resource institutions, including the specialized agencies of the United Nations system.

14. For monitoring and evaluation, as well as participation in important events, an increased use will be made of senior programme advisers from within and outside the region.

15. For each subprogramme, there will be an annual sectoral review where progress will be evaluated and decisions taken as to the continuation and further development of project activities. Such review meeting will involve representatives from specialized agencies of the United Nations system as well as from other donor entities and institutions, including NGOs. Representatives of participating countries will also participate. In view of the need for co-financing, these annual review meetings will also be instrumental in involving other donor organizations in the programme.

IV. RECOMMENDATION

16. The programme is initiating important activities in the fields of economic restructuring, human resources development, energy conservation and environmental management and the development of datasystems for investments in the transport sector. It is thus an appropriate response to the needs of the region. The experience of UNDP in institution-building, world wide as well as in Europe, will enable it to play a catalytic role.

17. The Administrator, therefore, recommends that the Governing Council approve the third regional programme for Europe.